



Electricity Oversight Board

Daily Report for Thursday, May 15, 2003

On Thursday, the zonal price for SP15 at \$48.53/MWh increased from Wednesday's \$39.87/MWh, while NP15 rose sharply to \$43.06/MWh up from Wednesday's low of \$9.49/MWh. Congestion on Path 26 in the North-to-South direction combined with an extended de-rating of the Palo Verde in the import direction (de-rated from 2823MW to 1063Mw) contributed to the higher prices for SP15.

- Higher natural gas price. The average natural gas price increased from \$5.12/MMBtu on Thursday to \$5.62/MMBtu for Thursday. This translates to a 2 percent increase, which is a continuation of an upward trend that began in May.
- Warmer weather conditions. Temperatures across California continue to remain warm resulting in increased cooling demand.
- Reduced generation levels. On Thursday, the total generation offline increased by approximately 1,700 MW, of which nearly 440 MW was due to unplanned outages.
- Lower hydro generation availability. Recent cooler temperatures in the Northwest are expected to slow hydro run-offs.

CAISO notices:

Due to equipment service failure, the Palo Verde transmission line capacity was reduced from 2,823 MW to 1,063 MW in both directions for a total of 7 hours, between 2 a.m. and 8 a.m.

Figure 1 - SP15 & NP15 7-Day Rolling Average Prices

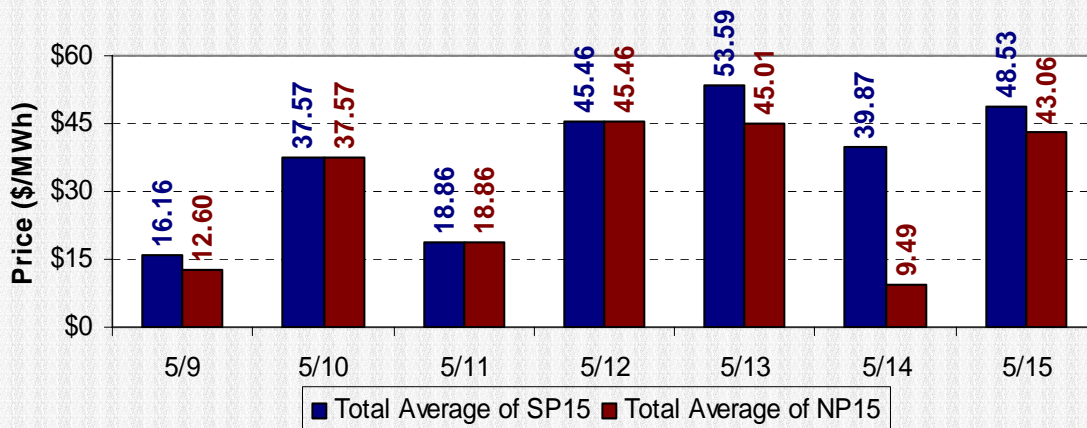
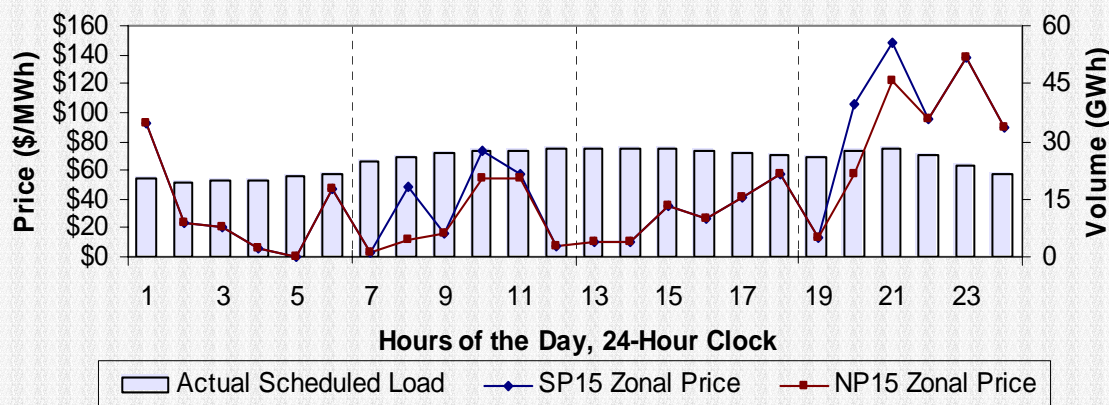


Figure 2 - Hourly Zonal Price and Volume





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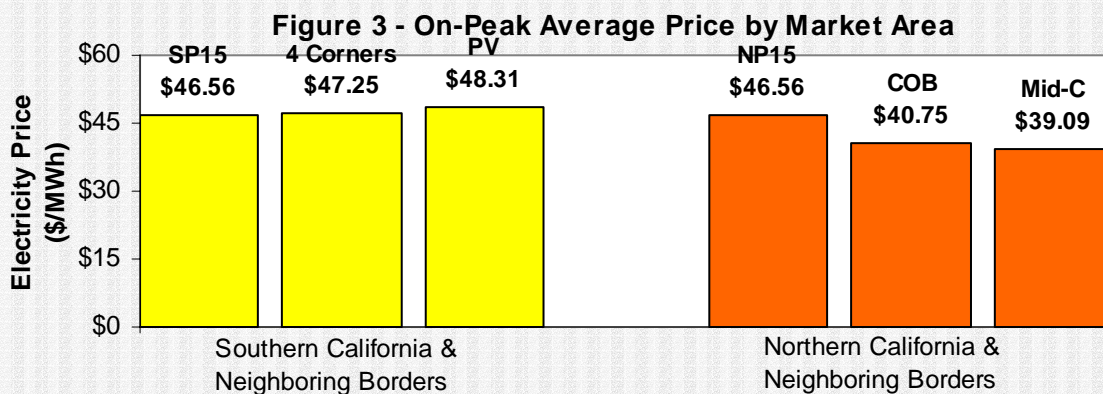


Figure 4 - Seven Day Snapshot of NP15 Zonal Price

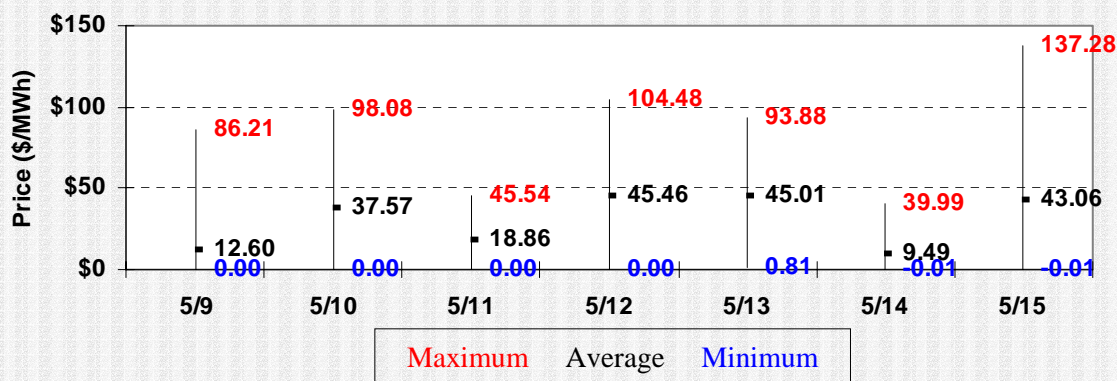


Figure 5 - Average Natural Gas Price

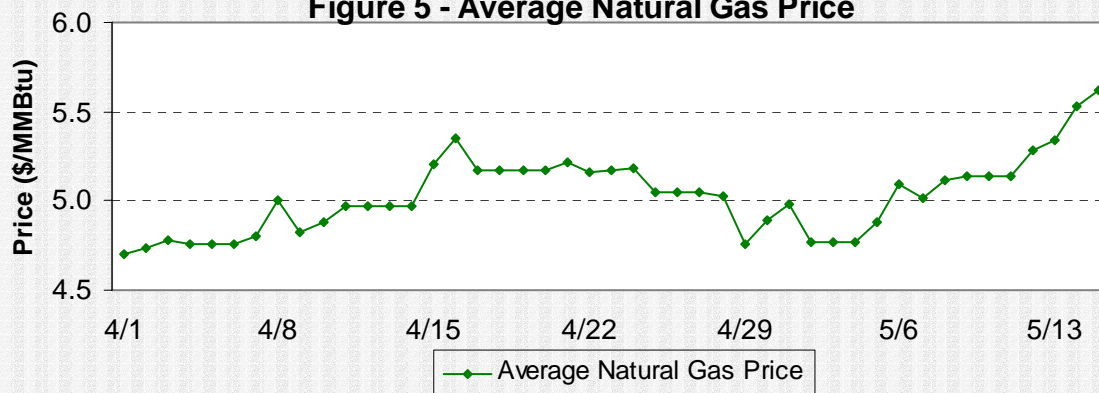


Figure 6 - Average Daily Zonal Price & Total Actual Load

